

CHAPTER NO. 37

SENATE BILL NO. 774

By Graves, McNally, Burks

Substituted for: House Bill No. 1273

By Curtiss, Walker, Hargrove, DuBois

AN ACT to amend Tennessee Code Annotated, Section 56-32-226, relative to prompt payment requirements.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-32-226(b)(1)(B), is amended by inserting the words "or electronic" after the word "written" wherever it so appears.

SECTION 2. Tennessee Code Annotated, Section 56-32-226(b)(2)(A), is amended by deleting all existing language in its entirety and substituting instead the following:

If a provider's claim is partially or totally denied in a remittance advice or other appropriate written or electronic notice from a health maintenance organization, or a provider's previously allowed claim is subsequently partially or totally denied by a health maintenance organization by an appropriate written or electronic notice, then the provider may file a written request to the commissioner to submit the claim denial to an independent reviewer as provided in subdivision (b)(3). In the event the provider receives no remittance advice or other appropriate written or electronic notice from a health maintenance organization either partially or totally denying a claim within sixty (60) calendar days of the health maintenance organization's receipt of the claim, then the provider may file a written request to the commissioner to submit the claim to an independent reviewer as provided in subdivision (b)(3). However, prior to sending this request, the provider must send a written request for reconsideration to the health maintenance organization which identifies the claim or claims in dispute, the reasons for the dispute and any documentation supporting the provider's position or request by the health maintenance organization. The health maintenance organization must respond to the reconsideration request within thirty (30) calendar days after receipt of the request. The response may be a letter acknowledging the receipt of the reconsideration request with an estimated time frame in which the health maintenance organization will complete its investigation and provide a complete response to the provider. If the health maintenance organization determines that it needs longer than thirty (30) calendar days to completely respond to the provider, the health maintenance organization's reconsideration decision shall be issued within sixty (60) calendar days after receipt of the reconsideration request, unless a longer time to completely respond is agreed upon in writing by the provider and the health maintenance organization. If the health maintenance organization continues to deny the provider's claims or the health maintenance organization does not respond to the reconsideration request within the time frames allowed herein, then the provider may file a written request with the commissioner to submit the claims to an independent reviewer as provided in subdivision (b)(3).

SECTION 3. Tennessee Code Annotated, Section 56-32-226(b)(3)(A), is amended by deleting the sentence, "The mere fact that a claim is not paid does not create a common substantive question of fact or law.", and substituting instead the following:


The mere fact that a claim is not paid does not create a common substantive question of fact or law, unless the provider has received no remittance advice or other appropriate written or electronic notice from a health maintenance organization, either partially or totally denying a claim, within sixty (60) calendar days of the health maintenance organization's receipt of the claim and such claims regard a common substantive question of fact or law.

SECTION 4. This act shall take effect upon becoming law, the public welfare requiring it.

PASSED: April 7, 2003



JOHN S. WILDER
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 22nd day of April 2003



PHIL BREDESEN, GOVERNOR